

**INTEGRITY AGREEMENT
BETWEEN THE
OFFICE OF INSPECTOR GENERAL
OF THE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
AND
WILLIAM C. WELCH, JR., M.D.**

I. PREAMBLE

William C. Welch, Jr., M.D., (“Dr. Welch”) hereby agrees to enter into this Integrity Agreement (“Agreement”) with the Office of Inspector General of the United States Department of Health and Human Services (“OIG”) to provide for the establishment of certain integrity measures to ensure compliance with the requirements of the Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) by Dr. Welch, by Dr. Welch’s employees and agents, by any entity in which Dr. Welch is an owner or has a control interest (as defined in 42 U.S.C. § 1320a-3(a)(3)) and such entity’s employees and agents, and by all third parties with whom Dr. Welch may choose to engage to act as billing or coding consultants for purposes of claiming reimbursement from the Federal health care programs. Contemporaneously with this Agreement, Dr. Welch is entering into a Settlement Agreement (the “Settlement Agreement”) with the United States. For the purposes of this Agreement the term “Welch” shall refer to Dr. Welch and any entity in which Dr. Welch has an ownership or control interest (as defined in 42 U.S.C. § 1320a-3(a)(3)). This Agreement is incorporated by reference into the Settlement Agreement.

II. TERM OF THE AGREEMENT

Except as otherwise provided in this Agreement, the period of compliance obligations assumed by Dr. Welch under this Agreement shall be three (3) years from the effective date of this Agreement. The effective date of this Agreement shall be June 1, 2000.

III. INTEGRITY OBLIGATIONS

Within thirty (30) days of the effective date of this Agreement, Dr. Welch agrees to implement an Integrity Program (the "Program"), which shall include the following provisions:

A. COMPLIANCE CONTACT

Within fifteen (15) days of the effective date of this Agreement, Welch shall designate a person to be the contact person within his medical practice for purposes of the obligations herein. For the term of this Agreement, the contact person shall have operational responsibility for ensuring compliance with the integrity obligations in this Agreement. If a new contact person is designated during the term of this Agreement, Dr. Welch shall notify OIG, in writing, within ten (10) days of such a change.

B. POSTING OF NOTICE

Within fifteen (15) days of the effective date of this Agreement, Welch shall post in a prominent place accessible to all patients and employees a notice detailing his commitment to comply with all statutes, regulations and directives applicable to the Federal health care programs in the conduct of his medical practice and in seeking reimbursement from the Federal health care programs for services and items furnished to patients of the Federal health care programs. At a minimum, this notice shall identify a means (e.g., telephone number, address, etc.) through which matters of concern can be reported anonymously.

C. WRITTEN POLICIES AND PROCEDURES

Welch shall develop and implement written Policies and Procedures within forty-five (45) days of the effective date of this Agreement. They shall address the following:

- a. Welch's commitment to adhere to honest and accurate billing practices;
- b. The proper submission of claims to the Federal health care programs,

including verification that all claims meet applicable reimbursement standards;

- c. The assignment of appropriate CPT codes, including, but not limited to, the proper use of CPT code 90855 when billing for psychiatric treatment of Federal health care program patients;
- d. The proper documentation of services and billing information and the retention of such information in a readily retrievable form;
- e. A mechanism for employees and agents to make inquiries regarding compliance with medical practice standards and Federal health care program reimbursement standards without risk of retaliation or other adverse effect; and
- f. Welch's commitment not to hire as an employee, or engage as contractor, any Ineligible Person. For purposes of this Agreement, an "Ineligible Person" shall be any individual or entity who: (i) is currently excluded, suspended, debarred or otherwise ineligible to participate in the Federal health care programs; or (ii) has been convicted of a criminal offense related to the provision of health care items or services and has not been reinstated in the Federal health care programs after a period of exclusion, suspension, debarment, or ineligibility.

D. TRAINING AND CERTIFICATION

Within thirty (30) days of the effective date of this Agreement, Welch, Welch's employees and anyone else engaged by Welch to prepare or submit claims for reimbursement to the Federal health care programs shall be trained in the proper reimbursement standards, program policies, and verification and compliance procedures to ensure the propriety and accuracy of claims for services and items furnished to Federal health care program patients. The training shall be designed to ensure that Welch and all of his employees and agents are aware of all applicable Federal health care program statutes, regulations and guidelines and the consequences (e.g., overpayment demands, restitution, penalties, criminal, civil and administrative liability, exclusion from the Federal health care programs, etc.) both to the individual and Welch that may ensue from any violation of such requirements.

Welch shall arrange for each new employee to participate in such training no later than fifteen (15) days after the person begins to work for Welch. Until the person has received the requisite training, such new employee shall work under the direct supervision of an employee who has received the required training.

This training program shall provide for no less than six (6) hours of training annually for each person.

At a minimum, the training sessions shall cover the following topics:

1. The obligations under this Agreement;
2. All applicable Federal health care program statutes, rules, regulations, and guidelines related to reimbursement, and the legal sanctions for improper billing or other violations of these standards; and
3. The written Policies and Procedures developed pursuant to section III.C, above.

Dr. Welch and each employee and agent shall date and sign a certification indicating attendance at the training session and further attesting to an understanding of the provisions in the Policies and Procedures and all applicable

Federal health care program standards addressed in training. These certifications will be maintained by Dr. Welch and shall be made available for inspection by OIG or its duly authorized representative(s). At least one copy of the training materials or a detailed description of the topics covered during the training session shall be kept with the certifications.

E. INDEPENDENT REVIEWS

On at least an annual basis and for the duration of this Agreement, Dr. Welch agrees to contract with an independent third-party reviewer (e.g., a health care billing auditor or a consultant) (hereinafter the "Independent Reviewer") to undertake a review of a statistically valid sample of the claims submitted by Welch and his agents and/or employees to the Federal health care programs. The purpose of this review is determine whether the claims are in compliance with the appropriate billing requirements. This review will be conducted by an independent and appropriately trained person or entity with knowledge of Federal health care program statutes, regulations, requirements, and reimbursement policies and procedures. These reviews shall cover, at a minimum, the preceding one (1) year period and shall seek to determine that the claims submitted to the Federal health care programs are for medically necessary and covered services under applicable program guidelines and that the claims are appropriately coded, documented and billed. At the conclusion of each review, the Independent Reviewer shall prepare a report describing the review's parameters, methodologies and procedures, as well as presenting the review findings and the reviewer's conclusions and recommendations. The report shall include, but not be limited to, findings regarding Welch's appropriate use of CPT code 90855 when billing for psychiatric treatment of Federal health care program beneficiaries. A copy of this report shall be included in Dr. Welch's Annual Reports to OIG.

IV. REPORTING

A. OVERPAYMENTS

1. *Definition of Overpayments.* For purposes of this Agreement, an "overpayment" shall mean the amount of money Welch has received in excess of the amount due and payable under any Federal health care program requirements. Welch may not subtract any

underpayments for purposes of determining the amount of relevant overpayments.

2. *Reporting of Overpayments.* If, at any time, Welch identifies or learns of any overpayments, Welch shall notify the payer (e.g., Medicare fiscal intermediary or carrier) and repay any identified overpayments within thirty (30) days of discovery and take remedial steps within sixty (60) days of discovery (or such additional time as may be agreed to by the payer) to correct the problem, including preventing the underlying problem and the overpayments from recurring. Notification and repayment to the contractor should be done in accordance with the contractor policies, and for Medicare contractors, must include the information contained on the Overpayment Refund Form, provided as Attachment A to this Agreement.

B. MATERIAL DEFICIENCIES

1. *Definition of Material Deficiency.* For purposes of this Agreement, a “Material Deficiency” means anything that involves:
 - (a) a substantial overpayment; or
 - (b) a matter that a reasonable person would consider a potential violation of criminal, civil, or administrative laws applicable to any Federal health care program for which penalties or exclusion may be authorized.

A Material Deficiency may be the result of an isolated event or a series of occurrences.

2. *Reporting of Material Deficiencies.* If Welch determines that there is a Material Deficiency, Welch shall notify OIG, in writing, within thirty (30) days of making the determination that the Material Deficiency exists. The report to the OIG shall include the following information:

- (a) If the Material Deficiency results in an overpayment, the report to the OIG shall be made at the same time as the notification to the payer required in section IV.A.1, and shall include all of the information on the Overpayment Refund Form, as well as:
 - (i) the payer's name, address, and the name of the person to whom the overpayment was sent; and
 - (ii) the date of the check and identification number (or electronic transaction number) on which the overpayment was repaid/refunded;
- (b) a complete description of the Material Deficiency, including the relevant facts, persons involved, and legal and Federal health care program authorities implicated;
- (c) a description of Welch's actions taken to correct the Material Deficiency; and
- (d) any further steps Welch plans to take to address the Material Deficiency and prevent it from recurring.

V. OIG INSPECTION, AUDIT AND REVIEW RIGHTS

In addition to any other right OIG may have by statute, regulation, contract or pursuant to this Agreement, OIG or its duly authorized representative(s) may examine Welch's books, records, and other documents and supporting materials in his possession or under his control for the purpose of verifying and evaluating: (i) Welch's compliance with the terms of this Agreement; and (ii) Welch's compliance with the requirements of the Federal health care programs. OIG, HCFA, or the appropriate Federal health care program contractor may conduct unannounced on-site visits at any time to review patient medical records and other related documentation for the purpose of verifying and evaluating Welch's compliance with the statutory and regulatory requirements of the Federal health care programs.

VI. REPORTS

A. IMPLEMENTATION REPORT

Within sixty (60) days of the effective date of this Agreement, Dr. Welch shall provide the OIG with a written report demonstrating that he has complied with the Program's requirements. This report, known as the "Implementation Report," shall include:

1. A copy of the notice Welch posted in his office as described in Section III.B.
2. A certification signed by Dr. Welch attesting that all employees have completed the initial training required by Section III.D as well as a summary of what the training included. The training materials will be made available to OIG upon request.
3. A copy of the written Policies and Procedures required by section III.C of this Agreement.
4. A certification from Dr. Welch stating that he has reviewed the Implementation Report, he has made a reasonable inquiry regarding its content and believes that, upon his inquiry, the information is accurate and truthful.

B. ANNUAL REPORTS

Dr. Welch agrees to make annual written reports (each one of which is referred to throughout this Agreement as the "Annual Report") to OIG describing the measures he has taken to implement and maintain the Program and ensure compliance with the terms of this Agreement. In accordance with the provisions above, the Annual Report shall include:

1. A description, schedule and topic outline of the training programs implemented pursuant to section III.D of this Agreement, and a written certification from all appropriate personnel that they received training pursuant to the requirements set forth in section III.D of this Agreement.

2. A copy of the audits and reviews conducted pursuant to section III.E of this Agreement relating to the year covered by the Annual Report; a complete description of the findings made during the reviews; copies of any disclosure notice documents made by Welch pursuant to that section; and any corrective actions taken.
3. A certification signed by Dr. Welch certifying that he has reviewed the Annual Report, he has made a reasonable inquiry regarding its content and believes that, upon his inquiry, the information is accurate and truthful.

The Annual Reports shall be due within forty-five (45) days of the end of the one-year period covered by the Annual Report. The first one-year period shall commence on the effective date of this Agreement.

VII. NOTIFICATIONS AND SUBMISSION OF REPORTS

Unless otherwise modified in accordance with section IX below, all notifications and reports required under the terms of this Agreement shall be submitted to the entities listed below:

OIG: Civil Recoveries Branch - Compliance Unit
Office of Counsel to the Inspector General
Office of Inspector General
U.S. Department of Health and Human Services
330 Independence Avenue, SW
Cohen Building, Room 5527
Washington, DC 20201
Telephone: (202) 619-2078
Facsimile: (202) 205-0604

Dr. Welch:

William C. Welch, Jr., M.D.
971 Lakeland Drive, Suite 1060
Jackson, MS 39216
Telephone: (601) 981-0920
Facsimile: (601) 981-5628

VIII. BREACH AND DEFAULT PROVISIONS

Full and timely compliance by Dr. Welch shall be expected throughout the duration of this Agreement with respect to all of the obligations herein agreed to by Dr. Welch. In the event of Dr. Welch's failure to comply with any of the obligations in this Agreement, the Agreement may be deemed in breach and the parties shall proceed in the appropriate manner as described below.

A. REMEDIES FOR MATERIAL BREACH OF THIS AGREEMENT

If Dr. Welch engages in conduct that OIG considers to be a material breach (as defined below) of this Agreement, OIG may determine to exclude Dr. Welch from participation in the Federal health care programs. Upon making its determination, OIG shall notify Dr. Welch of the alleged material breach by certified mail and of its intent to exclude as a result thereof (this notice shall be referred to hereinafter as the "Intent to Exclude Letter"). Dr. Welch shall have thirty-five (35) days from the date of the letter to:

- (1) cure the alleged material breach; or
- (2) demonstrate to OIG's satisfaction that the alleged material breach cannot be cured within the thirty-five (35) day period, but that Dr. Welch has begun to take action to cure the material breach and that Dr. Welch will pursue such action with due diligence. Dr. Welch shall, at this time, submit a timetable for curing the material breach for OIG's approval.

If at the conclusion of the thirty-five (35) day period (or other specific period as subsequently agreed by OIG and Dr. Welch), Dr. Welch fails to act in accordance with provisions (1) or (2) above, OIG may initiate steps to exclude Dr. Welch from participation in the Federal health care programs. OIG will notify Dr. Welch in writing of its determination to exclude him (this letter shall be referred to hereinafter as the "Exclusion Letter").

B. DISPUTE RESOLUTION

Upon OIG's delivery to Welch of its Exclusion Letter, and as an agreed upon contractual remedy for the resolution of disputes arising under the obligations in this Agreement, Welch shall be entitled to certain due process rights similar to those afforded under 42 U.S.C. § 1320a-7(f) and 42 C.F.R. Part 1005.

Specifically, OIG's determination to seek exclusion shall be subject to review by a Department of Health and Human Services ("HHS") Administrative Law Judge ("ALJ") in a manner consistent with the provisions in 42 C.F.R. §§ 1005.2-1005.21. The ALJ's decision, in turn, may be appealed to the HHS Departmental Appeals Board ("DAB") in a manner consistent with the provisions in 42 C.F.R. § 1005.21. OIG and Welch agree that the decision by the DAB, if any, shall constitute the final decision for purposes of the exclusion under this Agreement.

Notwithstanding any provision of Title 42 of the United States Code or Chapter 42 of the Code of Federal Regulations, the only issues in a proceeding for exclusion based upon a material breach of this Agreement shall be:

- a. whether Welch was in material breach of this Agreement;
- b. whether such breach was continuing on the date of the Exclusion Letter; and
- c. whether the alleged material breach could not have been cured within the thirty-five (35) day period, but that:
 - (i) Welch had begun to take action to cure the material breach within that period;
 - (ii) Welch has pursued and is pursuing such action with due diligence; and
 - (iii) Welch provided to OIG within that period a reasonable timetable for curing the material breach and Welch has followed the timetable.

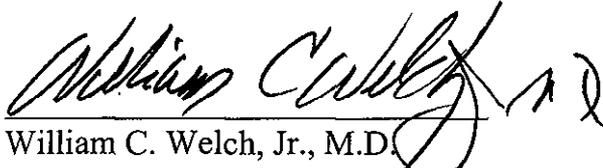
IX. EFFECTIVE AND BINDING AGREEMENT

Consistent with the provisions in the Settlement Agreement pursuant to which this Agreement is reached, and into which this Agreement is incorporated, Dr. Welch and OIG agree as follows:

1. this Agreement shall become final and binding only upon signing by each respective party hereto; and
2. any modifications to this Agreement shall be made with the prior written consent of the parties to this Agreement.

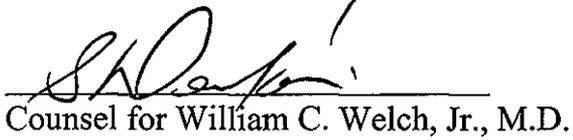
IN WITNESS WHEREOF, the parties hereto affix their signatures:

FOR: WILLIAM C. WELCH, JR., M.D.



William C. Welch, Jr., M.D.

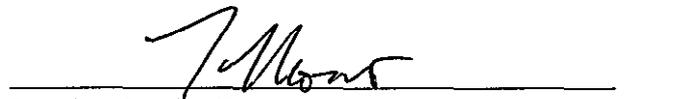
5/23/00
Date



Counsel for William C. Welch, Jr., M.D.

5/23/00
Date

**FOR: OFFICE OF INSPECTOR GENERAL
OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES**



Lewis Morris, Esquire
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
U. S. Department of Health and Human Services

5/26/00
Date

OVERPAYMENT REFUND**TO BE COMPLETED BY MEDICARE CONTRACTOR**

Date: _____
 Contractor Deposit Control # _____ Date of Deposit: _____
 Contractor Contact Name: _____ Phone # _____
 Contractor Address: _____
 Contractor Fax: _____

TO BE COMPLETED BY PROVIDER/PHYSICIAN/SUPPLIER

Please complete and forward to Medicare Contractor. This form, or a similar document containing the following information, should accompany every voluntary refund so that receipt of check is properly recorded and applied.

PROVIDER/PHYSICIAN/SUPPLIER NAME _____
 ADDRESS _____
 PROVIDER/PHYSICIAN/SUPPLIER # _____ CHECK NUMBER# _____
 CONTACT PERSON: _____ PHONE # _____
 AMOUNT OF CHECK \$ _____ CHECK DATE _____

REFUND INFORMATION

For each Claim, provide the following:

Patient Name _____ HIC # _____
 Medicare Claim Number _____ Claim Amount Refunded \$ _____
 Reason Code for Claim Adjustment: _____ (Select reason code from list below. Use one reason per claim)

(Please list all claim numbers involved. Attach separate sheet, if necessary)

Note: If Specific Patient/HIC/Claim #/Claim Amount data not available for all claims due to Statistical Sampling, please indicate methodology and formula used to determine amount and reason for overpayment: _____

For Institutional Facilities Only:

Cost Report Year(s) _____
 (If multiple cost report years are involved, provide a breakdown by amount and corresponding cost report year.)

For OIG Reporting Requirements:

Do you have a Corporate Integrity Agreement with OIG? Yes No

Reason Codes:

<u>Billing/Clerical Error</u>	<u>MSP/Other Payer Involvement</u>	<u>Miscellaneous</u>
01 - Corrected Date of Service	08 - MSP Group Health Plan Insurance	13 - Insufficient Documentation
02 - Duplicate	09 - MSP No Fault Insurance	14 - Patient Enrolled in an HMO
03 - Corrected CPT Code	10 - MSP Liability Insurance	15 - Services Not Rendered
04 - Not Our Patient(s)	11 - MSP, Workers Comp.(Including Black Lung	16 - Medical Necessity
05 - Modifier Added/Removed	12 - Veterans Administration	17 - Other (Please Specify)
06 - Billed in Error		
07 - Corrected CPT Code		